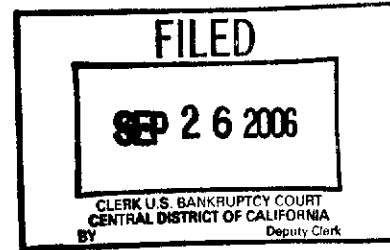


1 Jeffrey B. Gardner, Bar No. 115648
Hydee J. Mulichak, Bar No. 158779
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3 A Professional Corporation
5000 Birch Street, Suite 420
4 Newport Beach, California 92660
Tel: (949) 851-9111 Fax: (949) 851-3935



5 Attorneys for
6 Karen Sue Naylor, Chapter 7 Trustee

U. S. BANKRUPTCY COURT
ENTERED

SEP 27 2006

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

Jon D. Ceratto, Clerk of Court
CENTRAL DISTRICT OF CALIFORNIA
BY: Deputy Clerk

11 In re
12 ELECTRIC IMAGE, INC.,
13 Debtor.

) Case No. SA02-16099-RA

) Adv. No. SA05-01353-RA

) STIPULATION FOR DISMISSAL OF
) ADVERSARY PROCEEDING; ORDER
) THEREON

) [No Hearing Required]

14 KAREN SUE NAYLOR, Chapter 7
15 Trustee,

16 Plaintiff,

18 DWIGHT PARSCALE, RITA PARSCALE,
19 BRADLEY PARSCALE, EI TECHNOLOGY
GROUP, LLC,

20 Defendants.

21 AND RELATED CROSS-ACTIONS.
22

23
24 THIS STIPULATION by and between Karen Sue Naylor, Chapter 7
25 Trustee ("Trustee"), Dwight Parscale ("Dwight"), Rita Parscale
26 ("Rita"), Bradley Parscale ("Bradley"), and EI Technology Group LLC
27 ("EI"), (collectively "Defendants"), by and through their respective
28 counsel, is made pursuant to the following facts:

RECITALS

1
2 1. On or about August 8, 2002, Electric Image, Inc.
3 ("Debtor"), filed its petition under Chapter 11 of the Bankruptcy
4 Code in the United States Bankruptcy Court, Central District of
5 California, bearing case number SA02-16099-RA ("Bankruptcy Action").
6 By order entered January 16, 2004, the case was converted to one
7 under Chapter 7.

8 2. Trustee is the duly appointed, qualified and acting
9 Chapter 7 Trustee of the Bankruptcy Estate.

10 3. On July 26, 2006, the Court entered an Order Approving
11 Compromise of Controversies Between Chapter 7 Trustee and Defendants
12 Dwight Parscale, Rita Parscale, Bradley Parscale, EI Technologies,
13 Inc., Luke Zouvas and Mark A. Reed ("Compromise Order").

14 4. Pursuant to the settlement agreement between the parties
15 and the Compromise Order, the within adversary proceeding was to be
16 dismissed, with prejudice, as against Defendants after receipt of
17 the Settlement Sums and an order was entered by the Court approving
18 the compromise.

19 5. Similarly, Dwight's Counterclaim was to be dismissed, with
20 prejudice, as against the Trustee after receipt of the Settlement
21 Sums and an order was entered by the Court approving the compromise.

22 6. The parties have executed the settlement agreement, the
23 Settlement Sums have been received by the Trustee, and the Court has
24 approved the compromise, and as a result thereof, all conditions
25 precedent for the dismissal of the within adversary proceeding,
26 including all counter claims and cross actions, have been satisfied.

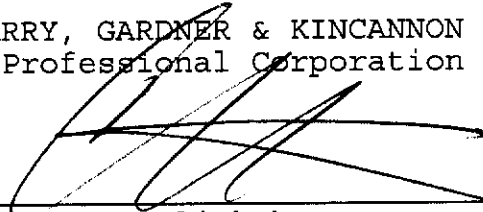
27 ///

28 ///

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.

4
5 Dated: 9-18-06

BARRY, GARDNER & KINCANNON
A Professional Corporation

6
7
8 
Hydee J. Mulichak
Cathy A. Knecht
9 Attorneys for Karen Sue Naylor,
Chapter 7 Trustee

10
11 DATED: _____

LAW OFFICES OF THOMAS H. CASEY

12
13
14 Kathleen M. Goldberg
Attorneys for Dwight Parscale


15
16 DATED: _____

17 R. Glen Ayers, Jr.
Attorneys for EI Technology Group LLC,
18 Dwight Parscale, Rita Parscale and
Bradley Parscale

19
20 **ORDER**

21 Good cause appearing therefor, IT IS ORDERED that this entire
22 adversary action, including all counter claims and cross actions, is
23 hereby DISMISSED with prejudice.

24
25 DATED: 9/26/06

26 
ERITHE A. SMITH
27 UNITED STATES BANKRUPTCY JUDGE
28

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.

4
5 Dated: _____ BARRY, GARDNER & KINCANNON
6 A Professional Corporation

7
8 _____
9 Hydee J. Mulichak
10 Cathy A. Knecht
11 Attorneys for Karen Sue Naylor,
12 Chapter 7 Trustee

13
14 DATED: September 15, 2006 LAW OFFICES OF THOMAS H. CASEY

15
16 _____
17 *Thomas H. Casey*
18 Kathleen M. Goldberg
19 Attorneys for Dwight Parscale

20
21 DATED: _____
22 R. Glen Ayers, Jr.
23 Attorneys for EI Technology Group LLC,
24 Dwight Parscale, Rita Parscale and
25 Bradley Parscale

26 ORDER

27 Good cause appearing therefor, IT IS ORDERED that this entire
28 adversary action, including all counter claims and cross actions, is
hereby DISMISSED with prejudice.

29 DATED: _____
30
31 _____
32 ERITHE A. SMITH
33 UNITED STATES BANKRUPTCY JUDGE

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.

4
5 Dated: _____ BARRY, GARDNER & KINCANNON
6 A Professional Corporation

7
8 _____
9 Hydee J. Mulichak
10 Cathy A. Knecht
11 Attorneys for Karen Sue Naylor,
12 Chapter 7 Trustee

13
14 DATED: _____ LAW OFFICES OF THOMAS H. CASEY

15
16 _____
17 Kathleen M. Goldberg
18 Attorneys for Dwight Parscale

19
20 DATED: 9/15/06 _____
21 R. Glen Myers, Jr.
22 Attorneys for EI Technology Group LLC,
23 Dwight Parscale, Rita Parscale and
24 Bradley Parscale

25
26 ORDER

27 Good cause appearing therefor, IT IS ORDERED that this entire
28 adversary action, including all counter claims and cross actions, is
hereby DISMISSED with prejudice.

ERITHE A. SMITH
UNITED STATES BANKRUPTCY JUDGE

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is 5000 Birch Street, Suite 420, Newport Beach, California 92660.

On September 18, 2006, I served the foregoing document described as **STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDINGS' ORDER THEREON** on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

SEE ATTACHED SERVICE LIST

/X/ [BY MAIL] I am readily familiar with the firm's business practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Newport Beach, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

/X/ [FEDERAL] I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on September 18, 2006, at Newport Beach, California.



Adrienne Montano

H:\6821\Pleading\0019 Parscale Adversary\stip dismiss.wpd

1 In re Electric Image, Inc.
Case No. SA02-16099-RA
2 Case No. SA05-01353-RA

3 **SERVICE LIST**

4 Debtor

Electric Image, Inc.
5 931 Calle Negocio #H
San Clemente, CA 92673

Attorney for Debtor

Mark A. Reed
17710 Balboa Avenue #316
San Diego, CA 92111

6 Chapter 7 Trustee

7 Karen Sue Naylor
P.O. Box 504
8 Santa Ana, CA 92702-0504

U.S. Trustee

United States Trustee
411 West Fourth Street #9041
Santa Ana, CA 92701

9 Attorney for Luke Zouvas

Christopher A. Minier
10 Law Offices of Todd C. Ringstad
2030 Main Street #1200
11 Irvine, CA 92614

Attorney for Defendants

Dwight Parscale, Rita Parscale,
Bradley J. Parscale and EI
Technology Group, LLC
R. Glen Ayers, Jr.
745 E. Mulberry, Suite 900
San Antonio, TX 78212

13 Co-counsel for Defendant and
Counter Claimant Dwight Parscale

14 Thomas Casey
Law Office of Thomas H. Casey
15 22342 Avenida Empresa, #260
Rancho Santa Margarita, CA
16 92688-2141

NOTE TO USERS OF THIS FORM

Physically attach this form as the last page of the proposed Order or Judgment.
Do **not** file this form as a separate document.

In re ELECTRIC IMAGE, INC.	CHAPTER <u>07</u>
Debtor,	CASE NUMBER: SA02-16099-RA
Adversary No. SA05-01353-RA	

NOTICE OF ENTRY OF JUDGMENT OR ORDER AND CERTIFICATE OF MAILING

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled
(specify):
STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDING; ORDER THEREON

was entered on (specify date):

9/27/06

2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and
entities on the attached service list on (specify date):

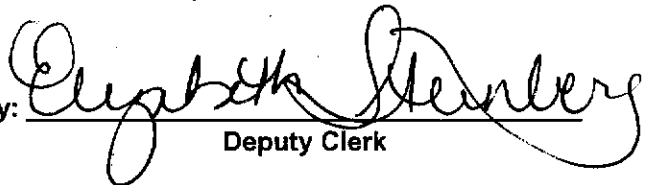
9/27/06

Dated:

9/27/06

JON D. CERETTO
Clerk of the Bankruptcy Court

By:


Deputy Clerk

1 In re Electric Image, Inc.
Case No. SA02-16099-RA
2 Case No. SA05-01353-RA

3 **SERVICE LIST**

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17710 Balboa Avenue #316
San Diego, CA 92111

6 Chapter 7 Trustee
7 Karen Sue Naylor
P.O. Box 504
8 Santa Ana, CA 92702-0504

U.S. Trustee
United States Trustee
411 West Fourth Street #9041
Santa Ana, CA 92701

9 Attorney for Luke Zouvas
Christopher A. Minier
10 Law Offices of Todd C. Ringstad
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11 Irvine, CA 92614

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Bradley J. Parscale and EI
Technology Group, LLC
R. Glen Ayers, Jr.
745 E. Mulberry, Suite 900
San Antonio, TX 78212

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13 Co-counsel for Defendant and
Counter Claimant Dwight Parscale
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Law Office of Thomas H. Casey
15 22342 Avenida Empresa, #260
Rancho Santa Margarita, CA
16 92688-2141

Attorney for Chapter 7 Trustee
Hydee J. Mulichak, Esq.
Barry, Gardner & Kincannon, APC
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Newport Beach, CA 92660